

## The Philippine Environmental Governance Project 2

# Quarterly Report

October - December 2004

January 13, 2005

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*EcoGovernance 2*



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Development Alternatives, Inc.

This project is implemented by Development Alternatives, Inc. with the support of its subcontractors:

Cesar Virata & Associates, Inc. ■  
Deloitte Touche Tohmatsu Emerging Markets ■  
The Marine Environment and Resources Foundation, Inc. ■  
The Media Network ■  
Orient Integrated Development Consultants, Inc. ■  
Resources, Environment and Economics Center for Studies, Inc. ■

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## 1.0 INTRODUCTION

The United States Agency for International Development (USAID)/Philippines Environmental Governance Project-Phase 2 (EcoGov 2) began on October 1, 2004. Development Alternatives, Inc. (DAI) of Bethesda, Maryland is the prime contractor, operating with four local subcontractors and two US-based subcontractors. The local subcontractors are Orient Integrated Development Consultants, Inc.(OIDCI), Resources, Environment and Economics Center for Studies (REECS), the Marine Environment and Resources Foundation (MERF), and Cesar Virata & Associates (CVAI). The US-based firms are the Emerging Markets Group (EMG), part of the Deloitte Touche Tohamatsu family of firms, and The Media Network (TMN). DAI was the prime contractor of the predecessor project, EcoGov 1, which ran from December 2001 through November 30, 2004.

During this period, DAI and its subcontractors focused on the simultaneous closedown of EcoGov 1 and the start-up of EcoGov 2. Activities were largely related to the development of a project work plan, administration, and mobilization. Principal guidance from USAID's Office of Energy and the Environment (OEE) was provided at a start-up meeting on October 7 and a formal contract award debriefing on October 19 (attended by staff from OEE and the Office of

Regional Procurement or ORP). The major events were an internal team planning meeting from November 10-12, a stakeholders meeting from November 17-18, a presentation to the EcoGov Steering Committee on November 25, and the preparation and submission of the life-of-project (LOP) and first annual work plans in December. This short quarterly report provides highlights of completed activities and a list of key activities for January - March 2005.

## 2.0 HIGHLIGHTS OF QUARTERLY ACCOMPLISHMENTS AND ACTIVITIES

### • LOP WORK PLAN AND ANNUAL WORK PLAN

The Team completed a draft LOP Work Plan (2004-2011) and first annual work plan (October 2004 – December 2005) and submitted them to USAID on December 17 and 20, respectively.

These work plans were a product of internal team meetings, a

large stakeholders meeting, and several individual consultations. Principal inputs were the EcoGov 2 contracted scope of work (SOW), lessons learned from EcoGov 1, DAI's technical proposal, the national development

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*EcoGov 2 partners exchange views during the presentation of the life-of-project workplan.*

priorities as contained in the Medium-Term Philippine Development Plan (MTPDP) and the Major Final Outputs (MFOs) of partner national agencies, and the comments provided by the senior members of EcoGov Program partners (e.g., Department of Environment and Natural Resources or DENR, National Economic and Development Authority or NEDA).

#### • **MOBILIZATION OF SUBCONTRACTORS**

DAI submitted formal requests to USAID to subcontract its American and Filipino subcontractors. During the quarter, DAI received consent for EMG and TMN, but not for REECS, CVAI, OI DCI, or MERF. Thus, DAI engaged those firms through monthly “letters of authorization to proceed,” whereby DAI assumes the financial risk should consent not be granted.

#### • **MOBILIZATION OF CONSULTANTS AND PROJECT STAFF**

DAI prepared SOWs for all consultants (listed as “labor” in the approved budget) and staff (listed as “other direct costs” in the approved budget) under EcoGov 2 and executed employment contracts for the majority of full-time personnel.

In compliance with Filipino labor law and in accord with DAI policy and USAID regulations, DAI prepared and issued the EcoGov 2 Policies and Operations Manual to all personnel and subcontractors on the project. This manual covers roles and responsibilities of team members, human resources (including employment policy, hiring procedures, code of ethical standards, work environment policy, payroll procedures, employee benefits, performance reviews, and termination), project administration (including project propriety, procurement, reporting, and finance), travel, and legal and contractual guidelines.

As part of the process of complying with local labor and tax law, DAI engaged the services of a local firm, Laya Mananghaya & Co. (part of the KPMG group) to assist us in receiving a Bureau of Internal Revenue (BIR) designation as a “non-permanent establishment.” This designation will enable us to properly register with the tax authorities and withhold and remit taxes on behalf of our Filipino consultants and staff. As of this report, the BIR had not yet issued its final designation.

The Technical Assistance (TA) team held internal discussions to clarify the roles and responsibilities of the senior managers, regional coordinators, sector leaders, and regional specialists.

DAI advertised in national and regional newspapers to solicit resumes for available support positions (assisting professionals in Urban Environmental Management or UEM, Forests and Forest Lands Management or FFM, Coastal Resource Management or CRM, and advocacy) and local service providers (LSPs) in the field offices.

#### • **LOGISTICS AND PROCUREMENT**

DAI renewed the lease contracts on the EcoGov 1 field offices in Cotabato City, Zamboanga City, and Solano. DAI re-assessed its needs for EcoGov 2 for its main office in Manila and field office in Cebu. After an exhaustive and documented search in Quezon City and Ortigas, a lease for a new office in the Prestige Tower, Emerald Avenue, Ortigas Complex, Pasig City was negotiated. Also negotiated was a lease for an office in the Cebu Business Park of Cebu City. These offices were chosen based on price, appropriateness of space, proximity to clients and counterparts, security, proximity to mass transit, and central geographic location in relation to personnel residences. Relocating the Manila and Cebu offices will happen in approximately mid-February.

DAI assessed its needs for procurement of IT equipment, office furniture, and peripheral equipment and submitted a procurement plan for Office of Regional Procurement (ORP) review and approval on December 15.

#### ✱ INITIAL IMPLEMENTATION ACTIVITIES

As part of the transition from EcoGov 1 to EcoGov 2, and following OEE's recommendations to not lose momentum from one contract to the next, the Team continued crucial activities with its partners. On December 1, the EcoGov 2 Project, DENR,

***On December 1, the EcoGov 2 Project, DENR, and LMP executed a MOA for capacity building assistance to LGUs on environmental governance.***

and League of Municipalities in the Philippines (LMP) executed a MOA for capacity building assistance to local government units

(LGUs) on environmental governance. This MOA was signed during the LMP's 2004 National Assembly at the Manila Hotel. The MOA demonstrates the LMP's commitment to environmental governance and is critical for the replication of EcoGov activities beyond the Project's 79 partners to the 1,496 municipal LGUs in the country.

The regional teams continued to meet, visit, and consult with EcoGov 1 partner LGUs and DENR field counterparts to solicit their continued partnership for EcoGov 2. Assisting professionals (APs) were fielded to carry out transition activities in selected LGUs, which have resulted in the legitimization of additional Forest Land Use Plans (FLUPs), and initiation of some implementation activities.

The Team explored cooperation with the Canadian International Development Agency (CIDA)-funded Local Government Support Program (LGSP) regarding the promotion of best practices for solid waste management in LGUs.



*President Arroyo views the EcoGov poster during the recent LMP National Assembly where EcoGov 2 and DENR signed a MOA with the League.*

The typhoon and landslides in late November and early December resulted in several meetings between Natural Resources Development Corporation (NRDC) Director Victor Corpuz, NEDA Director General Romulo Neri, USAID, and the DENR on developing a property rights-based reforestation program in the Philippines. USAID, Corpuz's group, and the EcoGov 2 Team agreed to explore appropriate activities for the Project, including sponsorship of a conference on watershed management and reforestation in the first quarter of 2005.

#### ✱ SUBMISSION OF PROPOSAL FOR CONTRACT MODIFICATION NUMBER 1

DAI submitted a proposal on November 19 to ORP to modify the contract line item number (CLIN) structure of the approved budget. DAI proposed five CLINs directly related to the five targets/deliverables outlined in the contracted SOW, plus a sixth CLIN for management and administration. With approval of these CLINs, DAI will be better able



to tie expenditures to achievements and manage United States Government (USG) funds for results.

• **SUBMISSION OF GRANTS MANUAL**

DAI submitted a grants manual for ORP and OEE review and approval on December 16. The grants manual outlines the purpose of the grants, the grant award process, the types of grants, and grants program administration. No grant will exceed \$25,000, and grants will only be issued to Filipino organizations.

• **USE OF EXPATRIATE CONSULTANTS**

The following expatriates were engaged in the field during the first quarter:

1. Daniel Rothberg, DAI, Deputy Chief of Party (DCOP) for Management and Administration, who served as STTA and worked on all aspects of administrative and technical inception of the contract.
2. Del McCluskey, DAI, technical backstop, who contributed to work plan development and technical inception.
3. Allen Hollenbach, DAI, who contributed to administrative start-up and work plan development in relation to the environmental good governance index.
4. Nhora Murphy, The Media Network, who contributed to work plan development related to social marketing and solid waste management.
5. Benjamin Darche, EMG, who contributed to work plan development related to promotion of municipal investment into environmental services.

### 3.0 PLANNED ACTIVITIES FOR THE PERIOD OF JANUARY TO MARCH 2005

• **MONTH OF JANUARY**

5-7 Jan	EcoGov 2 FFM Sector meeting in Cebu City, with site visits to Dalaguete and Alcoy
14 Jan	UEM meeting with National Solid Waste Management Commission (NSWMC) for discussion of proposed policy forum on RA 9003.
15-30 Jan	Regional teams visiting and renewing technical assistance working arrangements with EcoGov 1-assisted LGUs
22 Jan	Expected submission of Contract Modification Number 2 (outlining personnel changes) and local compensation plan.
15-30 Jan	Manila meetings with LMP, League of Cities in the Philippines (LCP), League of Provinces in the Philippines (LPP) and Solid Waste Management Association of the Philippines (SWAPP) to be spearheaded by the Governance and Advocacy Sector Team.
26-29 Jan	EcoGov 2 CRM Sector meeting in Zamboanga City, with site visit to Zamboanga-Sibuguey Bay and collaboration meeting with FISH Project regarding fisheries law enforcement.

28 Jan - 4 Feb	One week engagement of Del McCluskey as expatriate STTA. SOW to be submitted by January 13.		designs for EcoGov 2 assistance to LGUs and DENR field offices covering all sectors
* <b>MONTH OF FEBRUARY</b>		21-28 Feb	Consultations of the Department of Interior (DOI) Project with EcoGov 2 legal and advocacy specialists re: Natural Resources Management (NRM) enforcement assessment
2-4 Feb	UEM sector meeting in Davao City and site visits to Kidapawan City, Panabo (Davao del Norte), Tagum City, Digos City and Compostela Community-Based Forest Management (CBFM) site	25 Feb	Planned policy forum on Ecological Solid Waste Management Act
Mid-Feb	Planned EcoGov 2 launching in Davao City (to be attended by USAID, DENR/Autonomous Region in Muslim Mindanao (ARMM) Secretary, ARMM Governor, DENR senior management and key regional officers, and selected EcoGov Program partners and LGUs)	* <b>MONTH OF MARCH</b>	
	Initial meeting with DENR ARMM for the Muslim Mindanao Autonomy Act (MMAA) 161 Implementing Rules and Regulations (IRR) preparation	1-18 March	Site visits and consultations of DOI with EcoGov 2 specialists on enforcement activities
		1-30 March	Initial implementation of various technical assistance packages to LGUs and DENR field offices
		March	Finalization of social marketing research design and conduct of the research in selected UEM LGUs
		15-30 March	Final discussion with partners and submission of EcoGov 2 PMP to USAID/ Manila
15-28 Feb	Discussions on the initial draft of Performance Monitoring Plan (PMP) and Environmental Governance Index	23-30 March	Discussions with partners on the final draft of environmental governance index
15-28 Feb	Review, discussions, and approval of LSP SOWs, workshop/training		

## **ACRONYMNS**

AP	-	Assisting Professional
ARMM	-	Autonomous Region in Muslim Mindanao
BIR	-	Bureau of Internal Revenue
CBFM	-	Community-Based Forest Management
CIDA	-	Canadian International Development Agency
CLIN	-	Contract Line Item Number
CPUE	-	Catch Per Unit Effort
CRM	-	Coastal Resource Management
CVAI	-	Cesar Virata and Associates, Inc.
DAI	-	Development Alternatives, Inc.
DCOP	-	Deputy Chief of Party
DENR	-	Department of Environment and Natural Resources
EcoGov 2	-	The Philippine Environmental Governance Project - Phase 2
EMG	-	Emerging Markets Group
FFM	-	Forest and Forest Land Management
FLUP	-	Forest Land Use Plan
IT	-	Information Technology
LCP	-	League of Cities in the Philippines
LGSP	-	Local Government Support Program
LGU	-	Local Government Unit
LMP	-	League of Municipalities in the Philippines
LOP	-	Life of Project
LPP	-	League of Provinces in the Philippines
LSP	-	Local Service Provider
MERF	-	Marine Environmental Resource Foundation
MFO	-	Major Final Output
MFPC	-	Multi-Sectoral Forest Protection Committee
MMAA	-	Muslim Mindanao Autonomy Act
MOA	-	Memorandum of Agreement
MTPDP	-	Medium-Term Philippine Development Plan
NEDA	-	National Economic and Development Authority
NRDC	-	Natural Resources Development Corporation
NSWMC	-	National Solid Waste Management Commission
OEE	-	Office of Energy and the Environment
OIDCI	-	Orient Integrated Development Consultants, Inc.
ORP	-	Office of Regional Procurement
PMO	-	Program Management Office
PMP	-	Performance Monitoring Plan
REECS	-	Resources, Environment and Economics Center for Studies, Inc.
SOW	-	Scope of Work
STTA	-	Short-Term Technical Assistance
SWAPP	-	Solid Waste Management Association of the Philippines
TA	-	Technical Assistance
UEM	-	Urban Environmental Management
USAID	-	United States Agency for International Development
USG	-	United States Government